



Santa Ana Watershed Project Authority

April 9, 2007

Department of Water Resources
Division of Planning and Local Assistance
Attn: Tracie Billington
P.O. Box 942836
Sacramento, CA 94236-0001

Ron Sullivan
Commission
Chair

RE: Integrated Regional Water Management Program for Propositions 84 and 1E

Celeste Cantú
General
Manager

Dear Ms. Billington:

Eastern
Municipal
Water
District

The Santa Ana Watershed Project Authority (SAWPA) is pleased to have participated in the recent DWR funding area meeting for the Santa Ana Watershed on implementing the Integrated Regional Water Management Program for Proposition 84. We appreciate the opportunity to provide comments, suggestions, and recommendations to help in the implementation of the Integrated Regional Water Management Grant Program of Propositions 84 and 1E.

Inland
Empire
Utilities
Agency

General Comments

Overall, we encourage general consistency with Proposition 50 minimum IRWMP requirements with additional incentives of increased funding encumbrances sooner for regions in the State that demonstrate a high state of readiness in having an adopted Integrated Regional Water Management Plan that meets significant performance-based standards with prioritized projects ready to be implemented. These standards would include addressing multiple resource management strategies, not just "considering" them; addressing water supply and water quality improvement needs for disadvantaged communities; and conducting expanded outreach and governance to bring stakeholders together under one regional plan for regional areas as defined under Chapter 2, Proposition 84. We have prepared specific comments to various issues addressed at the recent funding area workshop. Additional comments are provided in the attached State Stakeholder Input Forms.

Orange
County
Water
District

San
Bernardino
Valley
Municipal
Water
District

Local Match

Since Propositions 84 and 1E for the IRWM program does not define a local match requirement, we recommend that a minimum local match of 25% be required for most projects. Exceptions to the 25% funding match could be made for disadvantaged community needs, nonprofit organization needs, and environmental justice and environmental improvement projects. These types of organizations often struggle to find the necessary matching funding needed to implement projects and may be unduly hindered in the use of State funds by any local match requirement.

Western
Municipal
Water
District

IRWM Plan Standards

In addition to our comments about IRWM Plan standards covered by the Stakeholder Input Forms, we understand that DWR is seeking feedback as to whether DWR should consider requiring a separate Regional Flood Control Plan to comply with Proposition 1E requirements or whether this should be included as a chapter of the IRWM Plan. We strongly recommend that Regional Flood Control Plans be included as a chapter to the IRWM Plan. As previously stated,



a collaborative integrated planning effort would incorporate various resource plans of multiple agencies throughout the region. Through close communication and planning coordination between flood control agencies and water resource, environmental, parks and open space, and land use agencies, new multi-beneficial projects can be developed and recommended for funding. Incorporation of Regional Flood Control Plans with integrated regional water management planning will be key to increasing water conservation and the capture and recharge of groundwater for regions – major themes for future State funding support.

Governance

We support DWR's preliminary suggestion that a specific governance model for each region not be required; rather, a full description of the governance process be included in the IRWMP. It is recognized that specific models for governance may not work for all regions due to political and institutional barriers. Merit should be given to those agencies that have sought to collaborate across political and institutional barriers under a "big tent" approach to address regional needs and not just individual agency or organization needs in regions.

Eligible Grant Recipients

From our involvement in the Step 1 grant application process of the Proposition 50 IRWMP Implementation grant process, DWR required that SAWPA merge its application with another applicant on the fringe of our watershed area. The fringe applicant had originally been a part of our collaborative process and included in our project selection process. Due to various factors, the proposed project of the fringe applicant was not deemed by the region to be of a high enough priority to be included in the top priority projects for the Santa Ana Region. Since the fringe agency applied separately to DWR and was successful in making their case to DWR, DWR mandated that their project application be included in SAWPA's plan and application. We strongly discourage the practice of mandating the combining of sub-regions to a specific region midway through the funding process in the future since it significantly impairs the collaborative and transparent priority project selection process of stakeholders in a region. Every effort should be made by regions defined under Proposition 84 to be inclusive of fringe areas that may not have been included in the integrated regional planning process of a defined region. Region definitional issues need to be clearly defined as one of the first steps in the guidelines for funding.

Project Selection Process

Based on our experience with the Proposition 50 two-step application process, we strongly discourage using a similar approach for the Propositions 84 and 1E grant implementation. We believe the process placed too much emphasis on meeting project data requirements by the State rather than the regional support for priority projects defined in a region's meritorious IRWM Plan. For example, regions that had excellent regional plans that met the high standards of integration were, in some cases, unnecessarily penalized for minor project data missing in a project schedule resulting in their not ranking as high for funding.

We would encourage the State to utilize the Proposition 13 Water Bond SAWPA/SWRCB contract as a template of effective funding project implementation. Under this approach, regions with high quality IRWM Plans would be provided more autonomy to prioritize projects and implement these projects for a region. Furthermore, the two-step review process could be eliminated with greater emphasis placed on having regions develop high quality performance

based IRWMP standards and subsequently moving into contract documents with the State to develop their prioritized projects.

If the State deems that a two-step process similar to Proposition 50 is necessary, we recommend modifications such that a first step proposal emphasizes the plan and recommended priorities of the plan without requiring detailed evaluation of individual projects under Step 1. This could be accomplished by reducing the level of detail required for the following sections under Step 1 of Proposition 50: *Description of Project or Projects, Cost Estimate, Project Prioritization, Need, Disadvantaged Communities and Program Preferences*. We recommend that the use of scoring and a points system be eliminated and replaced with a performance-based approach with incentives of bond funding appropriation for early high standards IRWM Plans and priority projects. We recommend that Step 2 should only be preparation of proposed projects into a contract-ready format rather than a screening by State staff of project readiness for implementation, feasibility, and individual project merits. We strongly encourage the elimination of the extensive economic analysis section as overly administratively burdensome and costly. It is our understanding that most agencies had to subcontract this section out to consultants to assure the level of completeness was met by the State. We believe that this was an inordinate waste of State and applicant time and money for justification that could be summarized in 1-2 pages. The total program merit should be evaluated under Step 1, and in accordance with the objectives of the overall IRWM Plan.

Funding and Appropriations

It is our understanding that DWR is planning to encumber the Propositions 84 and IE funds over a four-year time frame and appropriate these funds on a State-wide basis. Early plans indicate that \$145 million would be encumbered for the first year and the balance of bond funds would be encumbered the second and fourth year. It is recognized that the distribution of funding is driven, in part, to the release of bonds over several years in order to not exceed State indebtedness levels. However, we recommend a revised encumbering and appropriation process that rewards those regions that have met the high performance standards of an adopted IRWM Plan with a high priority project readiness. For those regions that have completed a thorough IRWMP, perhaps the full allocation for a region can be encumbered in the first year with plans for appropriation defined by their project implementation schedule. This would relieve DWR of having to conduct multiple contracts with the regional agency lead. This approach was successfully implemented under the SWRCB-SAWPA Proposition 13 Water Bond contract, and was successful in streamlining the process of implementing projects over a five-year span. It is our understanding from SWRCB staff that the SAWPA process was one of the most successful implementation efforts in reducing administrative costs for State staff and in getting excellent projects implemented for the benefit of the State.

Schedule

The current DWR schedule for the release of the PSP for the Proposition 84 IRWMP is in September 2007. Within our region, there are several sub-regional integrated water plans that were funded from Proposition 50 IRWM Planning that will not be completed until March 2008. We would encourage delaying the release of PSP until the sub-regional IRWM Plans that were funded from Proposition 50 are complete to allow sufficient time for sub-regions and local agencies to include and incorporate those plans into the SAWPA IRWM Plan, which will be then re-adopted and included for Proposition 84 funding.

On behalf of SAWPA, we wish to express our appreciation of DWR and SWRCB staff in conducting outreach meetings to receive recommendations and comments on the implementation processes for Propositions 84 and 1E funding. We recognize the challenges that exist in getting the Proposition 84, Chapter 2 IRWM Program started. We encourage DWR to continue its efforts to inspire regions to pursue high quality integrated water resource planning efforts. We support a high level performance-based approach to integrated regional water management planning and implementation which will provide important projects and multiple benefits to both the individual regions and to the State. We look forward to working with you as the guidelines for implementation are released for comments in the future.

If you have any questions regarding the comments and suggestions provided, please let us know.

Sincerely,

Santa Ana Watershed Project Authority

Mark Norton, P.E.
Water Resources and Planning Manager

Enc: Stakeholder Input Forms

Integrated Regional Water Management Grant Program
Scoping Meetings – Stakeholder Input

Performance Based vs. Competitive Program

Definition –

Performance Based means a grant program that is focused on the content and quality of a grant application. DWR would work with applicants on a scope of work to develop or improve an IRWM plan. When the scope meets a pre-established standard an applicant could pursue a planning grant. Similarly, when an applicant's IRWM plan meets pre-established requirements, the applicant could pursue implementation funding. The program would not be deadline driven.

Competitive means a grant program similar to what has been run in previous rounds, where all applications are due on a specific date; application contents are evaluated against an established set of scoring criteria; applications are ranked; and funding decisions are based on application ranking and available funding.

Observations from Previous Efforts –

- Applicants generally could have benefited from more state involvement in the development of IRWM Plans.
- Applicants could have benefited from a more interactive/iterative grant program versus submitting everything in an application package and being critiqued only on the single submission.
- Not all applicants are at the same stage in plan development making it difficult for some to compete.
- Deadlines, rather than long-term goals have driven past planning efforts

DWR Concept for IRWM Grant Program –

DWR is considering modifying the program to be more performance based. DWR would have more contact with applicants to monitor and assist performance, and deadlines would not drive the process.

Input Questions –

From your regions perspective, what are the advantages/disadvantages of a Competitive Grant Program?

The advantage to SAWPA of a competitive based grant program is that SAWPA has an established on-going planning process that remains competitive regionally as well as statewide.

The disadvantages of a competitive process is that it does not foster the collaborative high quality regional approach that should be encouraged in regions under integrated planning. Since funding in Prop 84 Chapter 2 has been allocated to regions, the main competition for the Chapter 2 funding from Prop 84 would be from internal agencies. Under an effective "big tent" collaborative planning process, competition can be avoided and replaced with the use of a fair and transparent project selection criteria developed under a consensus approach to prioritize projects that are most needed for a region and not just by an individual agency.

Continued on back

Integrated Regional Water Management Grant Program
Scoping Meetings – Stakeholder Input

Performance Based or Competitive Program Input

From your regions perspective, what are the advantages/disadvantages of a Performance Based Grant Program?

The advantage of a performance based approach is that it follows the collaborative regional approach that SAWPA strives for in the Santa Ana Watershed. The process encourages the development of thorough and effective integrated regional planning with diverse stakeholder groups. Project implementation will be prioritized based on the Prop 84 funding criteria and a neutral and objective evaluation process among the stakeholders that meet the highest needs of the region. The plan then become a “living plan” that can be adjusted as needs are identified and multi-beneficial projects are developed to create solutions without be thrust into a rush to complete projects

The only disadvantage to the performance based system is that if pre-established standards for a plan or project are established too low say with only one or two resource management strategies required to be integrated, the goal of integrated regional planning suffers by having poor quality plans and projects being submitted from some regions resulting in less water quality improvement and less new water supply for the State overall.

Which type of program would your region prefer and why?

SAWPA prefers a Performance based approach with an incentive of advanced appropriations of funding in the early years of the four year funding appropriation schedule for those regions that have met high standards of integrated regional planning, collaborative governance, an adopted IRWMP and a list of priority projects that are in a high state of readiness to be implemented.

Are there other ideas or suggestions you have concerning performance based versus a competitive grant program?

We suggest that high standards for performance based be defined for plans and projects. If scoring is used that it be based upon a standardized set of quantitative performance criteria to measure a value for resources benefits achieved by the proposed project(s). Benefit values would be backed up by appropriate documentation, plans, studies and reports. Our interest and hopefully the State’s interest under the IRWM program is in inspiring high performance and seeking not just adequacy but excellence. Rather than attempt to pass judgment on specific design review for scientific and technical adequacy, we encourage the State to ask for performance-based metrics for the proposal; for example, acre feet of dry year yield, acres of habitat created, acre feet of water treated to remove a contaminant, and acre feet of recycled water produced; then the individual technical ability can be evaluated to contribute to the plan. Further, within the program or project closeout process, the State could require that the funding agency provide reporting on how the performance metrics were met or exceeded by the projects and program in total. Adding this expectation will help convince applicants of the reality of reaching the performance metrics and allow the State an easier way to provide reporting to the Legislature and public on what was accomplished with the funding.

Integrated Regional Water Management Grant Program
Scoping Meetings – Stakeholder Input

IRWM Plan Standards

Observations from Previous Efforts –

Minimum standards for IRWM plans included in the guidelines may not be sufficient to ensure high quality.
Governance of an IRWM plan was not always easily addressed.
Project development and selection was not always tied to measurable plan objectives.
Stakeholder involvement was inadequate in some plans.

Other Observations –

Proposition 84 contains language that will necessitate changes in the guidelines and standards. Eleven funding areas will limit competition as a means to ensure quality if plans.

DWR Concept for IRWM Grant Program –

- DWR is considering emphasis on planning prior to funding implementation projects.
- DWR is considering holding IRWM Plans to pre-established standards.
- Standards would be added or modified (such as project prioritization and governance) in the guidelines.
- Applicants would not be eligible to pursue implementation grants until the IRWM Plan meets pre-established standards.
- Planning grants would be predicated on a scope of work that produces an IRWM plan that will meet the pre-established standards.

Input Questions –

Based on your experience with the current standards which ones were difficult to address? Please discuss what made them difficult.

SAWPA feels that the plan standards are appropriate. Difficulty in addressing should not necessarily be used as a benchmark. Integrated regional planning can be difficult but is worthwhile in that it encourages interagency collaboration and coordination to produce the best integrated multi-beneficial projects for a region. All regions should be encouraged to meet these high standards to encourage a collaborative approach to regional needs.

Continued on back

Integrated Regional Water Management Grant Program
Scoping Meetings – Stakeholder Input

IRWM Plan Input

Which standards, if any, were not helpful in your IRWM Plan?

The minimum standards for an IRWMP plan as defined in CWC 79562.5 and 79564 are appropriate and address most of the resource management strategies defined in the California Water Plan. We would encourage that the plans need to be adopted prior to submittal of project applications. We would encourage that the plan integrate as many of the water management strategies as possible with more than just one or two regional objectives met. We would encourage that more merit be given to IRWM plans that have not just “considered” the minimum standards but in fact have thoroughly addressed additional standards in their collaborative planning effort. The only standard which we would discourage as a minimum requirement as defined in the California Water Plan and that may not be applicable to all regions is the resource management strategy of cloud seeding.

What elements would be helpful for DWR to include or explain in a governance standard?

A standard that shows that the lead agency for the region has conducted extensive outreach and collaboration with resources agencies in the development of the plan. This may not necessarily be planning only by the lead agency but may be a collaboration and coordination with the excellent planning efforts of member agencies, subagencies and all other NGOs and organizations under a “big tent” planning approach.

What elements would NOT be helpful for DWR to include in a governance standard (what would make a governance standard too restrictive)?

We would not recommend that any devaluing of collaboration under a ‘big tent’ approach. The governance should represent not just a paper transaction but a true dialogue and commitment among multiple agencies in a region to work together on a cohesive regional plan. The regional plan can be a reflection of multiple plans but it should not merely be a compilation of prepackaged plans from disparate interests. We also encourage continuance that the plan must be formally adopted by the lead agency before receipt of implementation funding from Prop 84.

In what areas was it important for your plan to exceed the minimum standards?

It is SAWPA’s goal to exceed all standards, as each is an important component of our collaborative integrated regional water management planning process. The plans guidelines should be revised to reflect not just “consideration” of the minimum standards but “fully addressing and integrating” the minimum IRWMP standards defined. The minimum standards should also be expanded to consider all components of the DWR State Water Plan as defined in the Prop 84 bond language.

Integrated Regional Water Management Grant Program
Scoping Meetings – Stakeholder Input

Disadvantaged Communities

Comment Summary from Previous Efforts –

Incentives to reduce cost share for DAC did not address hardships DACs face engaging the IRWM process.

DWR Concept for IRWM Grant Program –

Through Prop 84 DWR does have the means to provide some technical assistance and financial assistance to help DAC engage in their regional IRWM processes. DWR is considering implementing this assistance early in the process so DAC's can engage more fully in IRWM planning and/or application preparation processes. DWR is also considering allocating funding to projects that meet critical needs of DACs.

Input Questions –

What types of technical assistance would be helpful to augment your region's efforts to engage DACs in the IRWM process?

Assistance in the preparation of grant proposals to fund the development of local infrastructure and community outreach programs. Technical assistance is also needed in agency planning for CEQA compliance, project development and project management.

Are there specific functions that DWR personnel can provide in the IRWM process that would help engage DACs?

SAWPA is currently working on a plan to carefully characterize issues confronting DACs. We recommend that incorporation of engaging DACs be listed as a requirement of the minimum IRWMP standards.

In addition to technical assistance, is there also need for financial assistance and how do you envision those funds being used?

Within the Santa Ana DAC's are in need of financial assistance to develop local infrastructure and implement community outreach programs. We would recommend utilizing the \$100 million of interregional funding to address DACs and provide that funding to their needs.

Continued on back.

Integrated Regional Water Management Grant Program
Scoping Meetings – Stakeholder Input

Disadvantaged Community Support Input

Is addressing water quality and supply issues that directly impact DACs a priority in your region?

Yes, SAWPA is currently working on a plan to carefully characterize water quality and supply issues confronting DACs in our region and have made it a major priority.

Can the IRWM Process address direct water supply and quality problems in DACs? If so how? How was this addressed in your IRWM Plan

Yes, SAWPA is currently working on a plan to define water supply and quality problems within the Santa Ana Watershed and identify needs and recommendations to address those problems. A specific workgroup was established to consider DACs and environmental justice issues.

Are there other ideas or suggestions you have concerning engaging disadvantaged communities in the IRWM process? Are there items that DWR should emulate, retain or drop from other grant programs regarding DACs?

Provide further definition and examples of DACs water supply and water quality issues which may include septic tank removal and sewage collection system hook-ups, a major water quality facing many DACs in our region.

Integrated Regional Water Management Grant Program
Scoping Meetings – Stakeholder Input

Regional Definition

Comment Summary from Previous Efforts –

Provide a better definition of what a region is. Provide direction on appropriate regions.

DWR Concept for IRWM Grant Program –

Work with regional efforts upfront to establish functional regional/sub-regional efforts. The timing of Funding for implementation efforts will reflect the readiness of the various funding areas. DWR will work with regions to “pre-screen” regional efforts for readiness.

Input Questions –

Based on you experience with the existing IRWM Grant Program, how can the definition of a “region” be improved?

SAWPA believes that regions should at a minimum be based upon watershed boundaries. We would discourage the splintering of regions into areas smaller than what has been defined in the funding allocation areas of Prop 84 to minimize multiple applicants from a region and to promote efficiency for the State and applicants. By utilizing the areas defined in Prop 84, the subregional areas will be encouraged to work together and collaborate on a cohesive regional planning and governance approach. Multiple problems arise when emphasis is not placed on “region” and single agency plans are represented as integrated regional plans.

Furthermore, SAWPA believes that within a designated “funding area” that a region could consist of entities such as the following:

- entities bound by Legal Judgments.
- entities whose actions have quantifiable impacts on downstream entities,
- entities that share common resources

who have joined together under a collaborative regional approach to develop a cohesive and unified plan to address water resource and water quality needs for the future.

What factors other than water management objectives and hydrologic, watershed, and political boundaries should be considered in establishing IRWM Plan Region Boundaries?

SAWPA believes these factors are appropriate.

For Prop 84 funding areas with multiple IRWM Planning Regions, identify possible mechanism for equitable distribution of limited funding.

Suggest a series of meetings facilitated by DWR, where representatives from each IRWM Planning Regions get together to hammer out an equitable solution. We strongly discourage the State from defining the joining of subregional areas together late in the process. This should be well defined and an initial step associated with region definition and governance.

Integrated Regional Water Management Grant Program
Scoping Meetings – Stakeholder Input

Stakeholder Involvement				
For your region, please describe briefly who are the stakeholders and rate their level of involvement.				
	STAKEHOLDER INTERESTS	HIGH	MED	LOW
	Water Districts	HIGH		
	Sanitary Districts	HIGH		
	Flood Control Districts	HIGH		
	City Government	HIGH		
	County Government	HIGH		
	Municipalities	HIGH		
	Associations of Government Agencies			LOW
	Tribes			LOW
	Watershed Groups		MED	
	Environmental Groups	HIGH		
	Community Based Groups		MED	
	Environmental Justice Organizations	HIGH		
	Representatives Disadvantaged Communities	HIGH		
	Private Landowners			LOW
	General Public			LOW
	Universities	HIGH		
	Industry/Trade Organizations	HIGH		
	Climate Change	HIGH		
	Land Use	HIGH		
	Parks, Recreation, Open Space, Trails	HIGH		
	Other – List			

Please discuss if there are other stakeholders who should be involved in your regional efforts, but have not been.

SAWPA is undertaking a diligent effort to expand even further its collaboration and reach out to potential stakeholders including members of the environmental community and local stakeholder workgroups.

Please discuss efforts that your region has made to ensure that IRWM Planning efforts are inclusive of diverse stakeholder interests.

SAWPA strives for a collaborative approach to bring together the planning community, including both public and private sector planners, to advance the benefits of planning on a watershed scale and integrating watershed thinking into the everyday planning process. Working with varied interests and agendas, this watershed planning process has opened the doors to still greater partnerships, funding opportunities, connectivity, and increased awareness of planning projects and opportunities both in the city next door and in the community on the other side of the Watershed.

Integrated Regional Water Management Grant Program
Scoping Meetings – Stakeholder Input

OPTIONAL – Please provide brief information about the person(s) completing this form	
Region:	Santa Ana Region
Name	Mark Norton P.E. Water Resources & Planning Mgr Santa Ana Watershed Project Authority
Address	11615 Sterling Ave Riverside, CA 92503 We are already on the DWR IRWM Mailing/Distribution List.
If you are not already on the DWR IRWM Mailing/Distribution List. Please add the above listed person(s) to the IRWM distribution list. <input type="checkbox"/>	